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## LEGISLATIVE

### H.R. 414, Hearing Aid Assistance Tax Credit Act:

#### Talking points

#### What would H.R. 414, the Hearing Aid Assistance Tax Credit Act, do?

- Provide a tax credit of up to \$500 per hearing aid, available once every 5 years, towards the purchase of such hearing aid, available to:
  - 1) individuals age 55 and over, or
  - 2) those purchasing a hearing aid for a dependent.

#### Why do we need this special tax treatment for hearing aids?

- While 95% of individuals with hearing loss could be successfully treated with hearing aids, only 22% currently use them according to the most recent 'MarkeTrak' report, the largest national consumer survey on hearing loss in America.
- It is estimated that there are 33 million Americans with hearing loss. Included in this figure are 1.5 million children under the age of 18 with a diagnosed hearing loss who are not now using a hearing aid, and around 9.7 million Americans age 55 and over.
- 40% of individuals with hearing loss have incomes of less than \$30,000 per year. A Department of Commerce study indicates that the overall family income of people with hearing loss is almost half that of the general population. 30% of those with hearing loss cite financial constraints as a core reason they do not use hearing aids, according to a MarkeTrak report.
- The average cost for a hearing aid in 2004 was over \$1,400, and almost 2/3 of individuals with hearing loss require two devices, thereby increasing the average out of pocket expense to over \$2,800.
- Hearing aids are not covered under Medicare, or under the vast majority of state mandated benefits. In fact, 71.4% of hearing aid purchases involve no third party payments, which places the entire burden of the hearing

aid purchase on the consumer, according to 'MarkeTrak'

### **What is the extent of the problem with hearing loss in this country?**

- Hearing loss is the most prevalent birth defect in America today, affecting 2-3 infants per 1,000 births. 1.2 million children under age 18 have a hearing loss.
- For adults, hearing loss usually occurs more gradually, but increases dramatically with age, with 10 million older Americans experiencing age-related hearing loss.
- According to "Healthy People 2010", an HHS-led program to address America's health needs, another 10 million young adults and working aged Americans have noise-induced hearing loss. A primary objective of Healthy People 2010 is to 'increase the number of deaf or hard-of-hearing people who use adaptive devices, such as hearing aids. ' H.R. 414 is one of the most practical and cost-effective tools government can use to accomplish this goal.

### **What is the cost impact of untreated hearing loss?**

- Children who do not receive early intervention cost schools an additional \$420,000 and are faced with overall lifetime costs of \$1 million in special education, lost wages, and health complications, according to a respected 1995 study published in the Intl. Journal of Pediatric Otorhinolaryngology.
- For workers, noise induced hearing loss is the most common occupational disease and the second most self-reported occupational injury.
- Studies estimate a 50-70% reduction of income received for workers with untreated hearing loss as compared to that received by their non-hearing impaired peers.
- For seniors, untreated hearing loss causes additional costs to Medicare and other health programs due to loss of independence, social isolation, depression, safety issues, and quality of life. The Senate Special Committee on Aging, in S. Rpt. 107-74, noted: "As the wave of seniors begins to experience age-related

disability, our current long term care system will not be able to support this demographic shift.” Hearing aids help enable seniors to retain their independence and avoid other long-term care costs.

- In 1999, the National Council on the Aging (NCOA) conducted the largest known study on the effects of untreated hearing loss among adults and their families. The study quantified both the negative results of untreated hearing loss and the positive impact of hearing instruments on an individual’s quality of life. It found that impaired hearing results in distorted communication, greater isolation, withdrawal, reduced sensory input, depression, anger, and severely reduced overall psychological health. Conversely, hearing aid usage among those with hearing loss was found to significantly impact the following areas:

- Increased earnings power, of around 50%;
- Enhanced emotional and mental stability and reduced anger, anxiety, depression and paranoia;
- Improved health status and less incidence of pain;
- Reduced social phobias and improved interpersonal relationships.

### **What is the potential utilization of H.R. 414?**

Currently 1.28 million Americans of all ages purchase hearing aids each year, with some individuals requiring two devices, bringing the total number of hearing aids purchased across all age groups to approximately 2 million. This number has remained constant over recent years.

H.R. 414 would provide a potential benefit to a population of around 2 million individuals, many of whom cite financial reasons as the primary barrier to treatment, and would be available only once every 5 years.

H.R. 414 is not intended to cover the full cost of hearing aids, but will simply provide some measure of financial assistance to the groups who are most in need of these devices but are unable to afford them: those approaching or in retirement, and families with children.

### **Who supports this bill?**

This bipartisan initiative is supported by the Hearing Industries Association, Self-Help for Hard of Hearing People, The American Academy of Audiology, Siemens Communications, the International Hearing Society, and the 18 consumer and professional organizations represented by the Deaf and Hard of Hearing Alliance.